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FILED
FROM OVERNIGHT BOX
JAN 03 2000
FOR THE DISTRICT OF ARIZONA

5 Attorneys for Best Western International, Inc.

6 **IN THE UNITED STATES BANKRUPTCY COURT**
7 **FOR THE DISTRICT OF ARIZONA**

8 In re

9 **LEEWARD HOTELS, L.P.,**
10 **Debtor.**

No. B-99-09162-ECF-GBN

Chapter 11

**OBJECTION TO DISCLOSURE
STATEMENT**

13 Best Western International, Inc., an interested party herein, objects to Debtor's
14 Disclosure Statement herein for the following reasons, and each of them:

15 1. The Disclosure Statement identifies five (5) properties as being currently
16 operated as Best Western motel properties, including properties in Leavenworth, Ks.;
17 Olathe, Ks.; Ottawa, Ks.; Liberty, Mo.; and Lubbock, Tx.

18 2. The Disclosure Statement represents that each of the above properties is being
19 operated as a Best Western motel property pursuant to certain "franchise" agreements
20 with Best Western International, Inc. In fact, Best Western International has no
21 membership agreements with Debtor. Each of the referenced properties has been
22 operated as Best Western members pursuant to Membership Agreements between Best
23 Western International and the predecessors in ownership to the Debtor. However, each
24 of the Membership Agreements provides that the Best Western membership terminates
25 upon a transfer in ownership of the property. The Disclosure Statement is misleading in
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1 identifying any of its properties as "franchises" of Best Western.

2 3. The Disclosure Statement provides at page 12 that Debtor intends to reject
3 each of the Best Western agreements for the Leavenworth, Olathe, Ottawa, and Liberty
4 properties. However, at page 19 of the Disclosure Statement, as well as in the proposed
5 plan, Debtor represents that all executory contracts identified on Exhibit I to the
6 Disclosure Statement will be assumed by the Debtor. All five of the Best Western
7 Membership Agreements are identified on Exhibit I. The Disclosure Statement and
8 proposed plan contain conflicting provisions, and interested parties are unable to
9 determine from Debtor's Disclosure Statement whether or not Debtor intends to seek
10 assumption or rejection the Best Western Membership Agreements.

11 4. The Disclosure statement similarly represents that Debtor intends to assume
12 the Lubbock Best Western Membership Agreement. However, Debtor is not a party to
13 any of the Best Western Membership Agreements, and Debtor further proposes to
14 abandon the Lubbock property to GMAC.

15 5. If Debtor does not, in fact, intend to seek assumption of the Lubbock Best
16 Western Membership Agreement, the Disclosure Statement fails to disclose the impact of
17 the loss of the Best Western flag on the value of such property that Debtor intends to
18 abandon to GMAC. Upon information and belief, the loss of the Best Western flag for
19 the property will have a significant negative impact on the value of the property.

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1 Dated this 3d day of January, 2000.

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3 JENNINGS, STROUSS & SALMON, P.L.C.

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5 By 

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11 Inc.

12 Copy of the foregoing mailed on this 3d
13 day of January, 2000, to:

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24
25 By 
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